

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 NSC-05 ISO-00 L-03 AID-05 CIAE-00  
COME-00 FRB-01 INR-10 NSAE-00 ICA-20 XMB-04  
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 IO-14 /095 W  
-----035628 191012Z /11

R 181405Z MAY 78  
FM AMEMBASSY ABIDJAN  
TO DEPT OF TREASURY WASHDC  
INFO SECSTATE WASHDC 8767  
AMEMBASSY VICTORIA

UNCLAS SECTION 1 OF 2 ABIDJAN 4759

DEPT PASS NAC AGENCIES

E.O. 11652: N/A  
TAGS: AFDF, EAID, EFIN  
SUBJECT: PROPOSED AFRICAN DEVELOPMENT FUND LOAN TO FINANCE  
SEYCHELLES PRIMARY AND JUNIOR SECONDARY EDUCATION PROJECT

SUMMARY: AFDF MANAGEMENT PROPOSED 2.5 MILLION FUND UNIT OF ACCOUNT  
(FUA EQUAL TO US \$1.11) LOAN TO GOVERNMENT OF THE REPUBLIC OF  
SEYCHELLES TO FINANCE A PORTION OF PROJECT DESIGNED TO ASSIST IN  
THE RENOVATION OF AN EXISTING PRIMARY SCHOOL AND TO EXPAND JUNIOR  
SECONDARY SCHOOL FACILITIES. TOTAL COST OF PROJECT ESTIMATED AT  
2.6 MILLION FUA TO BE CO-FINANCED WITH GOS. AFDF SPONSORED PROJECT  
TO BE IMPLEMENTED WITHIN FRAMEWORK OF UNESCO EDUCATIONAL DEVELOP-  
MENT PLAN. END SUMMARY.

1. AFDF DOCUMENT BD/78/41 AND ATTACHMENTS DESCRIBING LOAN POUCHED  
TO NATIONAL ADVISORY COUNCIL AGENCIES MAY 16, 1978. BOARD CONSI-  
DERATION SCHEDULED FOR JUNE 7, 1978. REQUEST AMEMBASSY VICTORIA  
CABLE ANY VIEWS TO ASSIST NAC DELIBERATIONS ON U.S. BOARD POSITION.

2. AFDF MANAGEMENT PROPOSES 2.5 MILLION FUA LOAN TO GOS TO FINANCE  
93 PERCENT OF COST OF PROJECT TO ASSIST IN THE RENOVATION OF EXIS-  
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TING PRIMARY SCHOOL FACILITIES AND THE EXPANSION OF JUNIOR SECON-  
DARY EDUCATION FACILITIES IN ACCORDANCE WITH GOVERNMENT POLICY OF  
PROVIDING UNIVERSAL EDUCATION TO ALL CHILDREN UP TO AGE 15 OR  
THROUGH PRIMARY GRADE NINE. MAIN COMPONENTS OF PROJECT ARE AS  
FOLLOWS: (A) RENOVATION OF EIGHT CLASSROOMS AND CONSTRUCTION OF  
SEVEN NEW CLASSROOMS, ONE STAFF ROOM, ONE LIBRARY, ONE STOREROOM  
AND AN ASSEMBLY HALL AT ST. JOHN BOSCO PRIMARY SCHOOL WHICH IS

LOCATED ON MAHE ISLAND NEAR THE DOWNTOWN AREA OF THE CAPITAL, VICTORIA; (B) CONSTRUCTION OF 22 CLASSROOMS AND EIGHT SPECIALIST ROOMS, FOUR LIBRARIES AND OTHER RELATED FACILITIES IN FOUR EXISTING PRIMARY SCHOOLS IN ORDER TO ACCOMMODATE JUNIOR SECONDARY STUDENTS (GRADES SEVEN THROUGH NINE). THESE FOUR SCHOOLS ARE LOCATED ON THE PRINCIPAL ISLAND OF MAHE: (C) ARCHITECTURAL AND DESIGN SERVICES FOR SCHOOL BUILDINGS; (C) FURNITURE AND EQUIPMENT FOR SCHOOL BUILDINGS; (E) TECHNICAL ASSISTANCE AND FELLOWSHIP TO STRENGTHEN THE PLANNING SECTION OF THE MINISTRY OF EDUCATION AND CULTURE. INCLUDES RECRUITMENT OF PLANNING SPECIALIST FOR A THREE-YEAR PERIOD. SPECIALIST WILL HAVE NATIONAL COUNTERPART WHO, AFTER WORKING WITH THE SPECIALIST FOR ONE YEAR WILL RECEIVE TRAINING ABROAD. PROJECT COST BREAKDOWN IS AS FOLLOWS: (A) ST. JOHN BOSCO CONSTRUCTION AND RENOVATION, 384 THOUSAND FUA; (B) EXPANSION OF FOUR EXISTING PRIMARY SCHOOLS, AVERAGE 246 THOUSAND FUA EACH; (C) DESIGN SERVICES, 150 THOUSAND FUA; (D) FURNITURE AND EQUIPMENT, 137 THOUSAND FUA; (E) TECHNICAL ASSISTANCE AND FELLOWSHIP, 224 THOUSAND FUA. IN ADDITION, TEN PERCENT ALLOWANCE FOR PHYSICAL CONTINGENCY AND 30 PERCENT ALLOWANCE FOR PRICE ESCALATION TOGETHER TOTAL 760 THOUSAND FUA. GOS TO MEET ANY COST OVERRUNS. AFDF LOAN OF 2.5 MILLION FUA TO MEET 93 PERCENT OF PROJECT COSTS INCLUDING ALL FOREX COSTS EQUAL TO 2.11 MILLION AND 350 THOUSAND IN LOCAL COSTS. GOS TO FINANCE LOCAL COSTS EQUAL TO 178 THOUSAND FUA. PROCUREMENT OF GOODS AND SERVICES, TO BE IN ACCORDANCE WITH STANDARD AFDF INTERNATIONAL BID PROCEDURES WITH EXCEPTION OF ARCHITECTURAL DRAWINGS AND RENOVATION OF ST. JOHN BOSCO SCHOOL WHICH WILL BE UNDERTAKEN UNCLASSIFIED

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BY MINISTRY OF WORKS AND PORTS. PROPOSED TERMS OF AFDF LOAN, 50 YEARS AMORTIZATION, INCLUDING TEN YEAR GRACE, 0.75 PERCENT SERVICE CHARGE. GOS TO BE BORROWER, MINISTRY OF EDUCATION AND CULTURE TO BE EXECUTING AGENCY.

3. AFDF PER CAPITA GNP LENDING CRITERIA NORMALLY EXCLUDES COUNTRIES WITH PER CAPITA GNP IN EXCESS OF US \$400. SEYCHELLES, WITH A 1976 FIGURE OF APPROXIMATELY US \$550, IS CONSIDERED ELIGIBLE FOR AFDF LOANS UNDER OTHER CRITERIA BECAUSE OF COUNTRY'S NEWLY INDEPENDENT STATUS, GEOGRAPHICAL SITUATION, DEPENDENCE ON IMPORTS FOR ITS STAPLE DIET, AND ADVERSE TRADE BALANCE WHICH IN 1976 REFLECTED A DEFICIT OF US \$34 MILLION. SEYCHELLES WAS ACCEPTED AS A LEAST DEVELOPED COUNTRY DURING THE 1977 AFRICAN, CARIBBEAN AND PACIFIC/ EUROPEAN ECONOMIC COMMUNITY MINISTERS MEETING.

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UNCLAS SECTION 2 OF 2 ABIDJAN 4759

DEPT PASS NAC AGENCIES

4. FORMAL EDUCATION HAD TRADITIONALLY BEEN UNDER THE CONTROL AND GUIDANCE OF PRIVATE ORGANIZATIONS AND UNTIL RECENTLY, THE GOVERNMENT'S ROLE WAS LIMITED MAINLY TO INSPECTION AND PAYMENT OF GRANT-IN-AID TO THE PRIVATE INSTITUTIONS. HOWEVER, SINCE 1970, VIRTUALLY THE ENTIRE SCHOOL SYSTEM HAS BEEN OWNED AND OPERATED BY THE GOVERNMENT. LITERACY IN THE OLDER AGE GROUPS (60 AND OLDER) IS ONLY 37 PERCENT, BUT ALMOST 80 PERCENT OF THE YOUNGER GENERATIONS ARE LITERATE. EDUCATION IS FREE (NON-COMPULSORY) FOR ALL CHILDREN BETWEEN AGES SIX TO 15 AND ALMOST 100 PERCENT OF THE PRIMARY SCHOOL AGE GROUP (SIX TO ELEVEN) IS ATTENDING SCHOOL. THE FORMAL EDUCATION SYSTEM COMPRISES SIX YEARS OF PRIMARY GRADES BEGINNING AT AGE SIX AND THREE YEARS OF JUNIOR SECONDARY SCHOOLING. BEYOND THESE LEVELS, AN OPPORTUNITY EXISTS WITHIN THE SYSTEM TO CONTINUE ON A SELECTIVE INDIVIDUAL BASIS. THE GOVERNMENT'S EFFORTS ARE NOW BEING HEAVILY CONCENTRATED ON THE EXTENSION OF UNIVERSAL EDUCATION THROUGH NINTH GRADE AND THE INTEGRATION OF JUNIOR SECONDARY CLASSES INTO THE PRIMARY SCHOOL SYSTEM. THUS, THE AFDF SPONSORED PROJECT IS DESIGNED TO REINFORCE THIS EFFORT.

5. RENOVATION OF ST. JOHN BOSCO PRIMARY SCHOOL IS INCLUDED IN THE PROJECT BECAUSE THE EXISTING BUILDING IS OLD AND CONSIDERED UNSAFE.

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NINE CLASSROOMS HAVE BEEN RENOVATED THROUGH THE ASSISTANCE OF THE BRITISH GOVERNMENT, HOWEVER, AT THE BEGINNING OF THIS YEAR, THE NON-RENOVATED PORTION, WHICH INCLUDES THE ASSEMBLY HALL, WAS CLOSED DUE TO HAZARDOUS CONDITIONS, AND THE CHILDREN MOVED TO TEMPORARY ACCOMMODATIONS. SCHOOL ENROLLMENT IS 583, WITH A MAXIMUM CAPACITY OF 600.

6. JUNIOR SECONDARY EDUCATION IS PRESENTLY PROVIDED IN 14 SCHOOLS

WHICH ARE MOSTLY ATTACHED TO PRIMARY SCHOOLS. THE TOTAL ENROLLMENT AT THE END OF 1977 WAS 3,108 IN 100 CLASSROOMS MAINLY FOR SEVENTH AND EIGHTH GRADES. OF THE 1,600 CHILDREN WHO COMPLETED PRIMARY SCHOOLING EACH YEAR, ABOUT 85 PERCENT ENTERED THE TWO-YEAR COURSE IN THE 14 JUNIOR SECONDARY SCHOOLS. THE SCHOOL SYSTEM IS CURRENTLY ABLE TO OFFER FURTHER EDUCATION TO ABOUT 10 PERCENT OF STUDENTS EMERGING FROM JUNIOR SECONDARY SCHOOLS. THE CURRENT EMPHASIS ON JUNIOR SECONDARY SCHOOLS IS EXPECTED TO INCREASE ENROLLMENT IN GRADES SEVEN THROUGH NINE FROM A 1976 LEVEL OF 2,622 TO 4,520 IN 1981. THIS GROWTH NECESSITATES CONSTRUCTION OF 63 ADDITIONAL CLASSROOMS. THE PROPOSED AFDF PROJECT PROVIDES 30 CLASSROOMS IN FOUR SCHOOLS WHICH WERE SELECTED ON THE BASIS OF FUTURE POPULATION ESTIMATES IN THE REGIONS SERVED.

7. AVAILABILITY OF TEACHERS IS EXPECTED TO MEET REQUIREMENTS. TEACHERS ARE BEING TRAINED AT THE TEACHER TRAINING COLLEGE WHICH HAD AN ENROLLMENT OF 150 IN 1977. THE COLLEGE OFFERS A THREE YEAR PROGRAM AND GRADUATES APPROXIMATELY 40 STUDENTS PER YEAR. CAPITAL EXPENDITURE IN THE EDUCATIONAL SECTOR HAS BEEN PROVIDED MOSTLY THROUGH FOREIGN ASSISTANCE PROGRAMS, AND THIS TREND IS EXPECTED TO CONTINUE. RECURRENT EXPENDITURE NOW ACCOUNTS FOR APPROXIMATELY 14 PERCENT OF THE NATIONAL BUDGET. RECURRENT EXPENDITURE IS EXPECTED TO INCREASE BY 10 PERCENT PER YEAR AND THE APPRAISAL REPORT INDICATES THAT THESE COSTS COULD BECOME A MAJOR CONCERN WITHOUT CONTINUING OUTSIDE ASSISTANCE.

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8. EXPANSION OF SECONDARY EDUCATION IN THE PAST DID NOT KEEP PACE WITH PRIMARY SCHOOLS IN SEYCHELLES. ONLY ABOUT 20 PERCENT OF THOSE WHO COMPLETED PRIMARY SCHOOL (SIXTH GRADE) WERE ABLE TO CONTINUE TO THE SECONDARY LEVEL. THE PROJECT ASSISTS IN THIS REGARD BY PROVIDING 800 NEW JUNIOR SECONDARY PLACES, WHICH REPRESENTS ABOUT 30 PERCENT OF THE TOTAL NEED OF THE COUNTRY FOR THE NEXT DECADE. IN ADDITION, THE PROJECT PROVIDES FOR RENOVATION OF 600 STUDENT PLACES. THE PROJECT COVERS ABOUT NINE PERCENT OF THE TOTAL POPULATION OF THE COUNTRY (WHICH IN 1976 WAS 61,962) AND TEN PERCENT OF THE STUDENT POPULATION.

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## Message Attributes

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